Calculation

The forecast out-turn (FO) calculation assumes that each month's expenditure for a practice is in line with the national trend for proportionate spend, ie it is assumed that a practice's cumulative spend to date is the percentage of total spend defined by the national trend. The percentages used are updated each year to reflect the latest trend information.

The FO formula for an existing practice is:

(CUMULATIVE ACTUAL COST X 100) / CUMULATIVE PROPORTIONATE SPEND FIGURE

The FO will not be shown for the first two months of the financial year (relating to April and May dispensing) due to the volatility of forecasting over the beginning of the year. The first month that this will be shown, for each financial year, will be for June dispensing.

This profile will be used to calculate forecast out-turns for 2018/19 prescriptions from the June 2018 PMD report onwards.

To note:

1. Profile excludes drugs costs met centrally
2. Includes practice, out of hours, and community nurse prescribing
3. Profile is subject to change

The method used to calculate the forecast of primary care prescribing expenditure is:

* Considers monthly expenditure data from the last five years.
* Removes the effect of policies (that is, reductions due to PPRS and Category M) from last year's expenditure.
* Looks at the effect of the number of dispensing days, the position of the month in the year and the year of expenditure.
* This is collated to predict the monthly expenditure for this year.

The percentage is then applied to data from the monthly Prescribing Monitoring Document.

Revision to the In Year Forecast of Primary Care Prescribing Expenditure

The profile for 2017/18 is subject to change and is based on the best information available at the time. The profiles will be revised accordingly as further information becomes available.

To note:

1. Department of Health finance has not been notified of any Category M adjustments for 2018-19 and therefore the profile has not been adjusted in this year for Cat M prices.
2. DH finance is receiving a number of queries on the actual content of the NHSBSA data that we are unable to answer (for example the treatment NCSO cost pressures). Grateful if these queries could be directed to those responsible for the actual data collection or the relevant policy contact in the NHS.

Forecast out-turns 2018/19

|  |  |  |
| --- | --- | --- |
| **Month** | **Practice Prescribing Monthly Profile** | **Practice Prescribing Cumulative Monthly Profile** |
| April 2018 | 8.09% | 8.09% |
| May 2018 | 8.47% | 16.56% |
| June 2018 | 8.46% | 25.02% |
| July 2018 | 8.30% | 33.32% |
| August 2018 | 8.19% | 41.51% |
| September 2018 | 8.25% | 49.76% |
| October 2018 | 8.94% | 58.70% |
| November 2018 | 8.57% | 67.27% |
| December 2018 | 8.26% | 75.53% |
| January 2019 | 8.35% | 83.88% |
| February 2019 | 7.71% | 91.59% |
| March 2019 | 8.41% | 100.00% |
| **Total** | **100.00%** |  |